



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)

(Implements RCW 34.05.310)

Do **NOT** use for expedited rule making

Agency: Department of Labor and Industries

Subject of possible rule making:

Labor and Industries is considering making changes to existing rules applicable to the retrospective rating program codified in Chapter 296-17 WAC. Possible rule changes would better explain how retrospective rating adjustments are calculated and allow the department to use multiple loss development factors in adjustment calculations for non-pension claims.

Statutes authorizing the agency to adopt rules on this subject:

RCW 51.18.010, RCW 51.16.035

Reasons why rules on this subject may be needed and what they might accomplish:

Current rules limit the department to using a single loss development factor for non-pension claims when calculating retrospective rating adjustments. Since 2006, the department has been using multiple loss development factors in calculating base rates, and the department is considering expanding the practice to retrospective rating adjustment calculations to improve the accuracy of adjustment calculations. Also employers and organizations that participate in the retrospective rating program have asked L & I to clarify certain existing retrospective rating program rules described above. Subject rules are needed to administer the retrospective rating program authorized by RCW 51.18.010.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:

None.

Process for developing new rule (check all that apply):

☐ Negotiated rule making

☐ Pilot rule making

☐ Agency study

☒ Other (describe) L & I will work directly with the business community that participates in retrospective rating to develop changes

to the retrospective rating program rules. This will include input from the retrospective rating advisory committee and the workers' compensation advisory committee. As rule ideas are developed they will be posted to the L&I website and can be accessed at the retro website: <http://www.lni.wa.gov/retro/> or they can contact Mark Matthies at (360) 902-4838 to receive printed copy. Meetings will also be posted on the website. L&I may also use targeted mailings to solicit input and may hold informal public meetings.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

Parties interested in the development of the rules can view the draft ideas at the retro website: <http://www.lni.wa.gov/retro/or> they may contact Mark Matthies at (360) 902-4838 to receive a printed copy. They can participate in the rule development process by attending the retro advisory committee meeting or by sending written comments to: Retrospective Rating Program, PO Box 44180, Olympia, WA 98504-4180. Comments may be faxed to (360) 902-4258 or sent by email to: retro@lni.wa.gov

DATE

May 1, 2007

NAME

Judy Schurke

SIGNATURE

TITLE

Director

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: May 01, 2007

TIME: 4:36 PM

WSR 07-10-108